

Summary of Government Financial Support Germany

August 2022



Financing Facility Support

What Help Is Available?	What Does the Help Entail?	Which Companies Are Eligible?	What Are the Criteria (if Any) for Applying?	How to Apply	Availability?
<p>Bridging Aid in the Amount of up to €25 Billion for Small and Medium-sized Companies</p>	<ul style="list-style-type: none"> • Securing the economic existence of small- and medium-sized enterprises, which have had total or partial closures or restrictions, or have suffered significant loss of sales due to COVID-19. • Costs eligible for funding include ongoing contractual or regulatory costs incurred during the funding period, like rents, interest expenses for credits and loans, financing cost components of leasing instalments, expenditure on necessary maintenance, servicing or storage of fixed assets, and leased assets, including IT, expenditure on electricity, water, heating, cleaning and hygiene measures, property taxes, operating licence fees, insurance, subscriptions and other fixed expenses, and costs for tax consultants or auditors incurred in connection with the application for COVID-19 Bridging Aid. • Costs for trainees and personnel expenses during the eligibility period that are not covered by short-term working allowances. 	<ul style="list-style-type: none"> • Companies and organisations from all sectors of the economy, to the extent that they do not qualify for the Economic Stabilisation Fund and to the extent that they had to discontinue their business activities completely or to a significant extent as a result of the COVID-19 crisis. • There is additional application eligibility for: <ul style="list-style-type: none"> – Companies that voluntarily closed due to inefficiency as a result of COVID-19 rules in the period – Companies that voluntarily closed between 1 January 2022 and 31 January 2022 – Young companies established before 30 September 2021 (previously 31 October 2020) – Expanded funding for sanitation measures to include material and labour costs for implementing COVID-19 access restrictions (see Appendix 3 FAQ) • Self-employed individuals and freelancers in their main occupation are also eligible to apply. 	<ul style="list-style-type: none"> • It is not possible to pay out the Bridging Aid IV to companies that have ceased business operations or filed for insolvency. • If the turnover in the month of promotion is at least 60% of the turnover of the previous year's month, the Bridging Aid IV is cancelled <i>pro rata</i> for the respective month of support. • Any overcompensation must be repaid. • The benefits received as Bridging Aid IV are taxable and, according to the general tax regulations, within the framework of the determination of profit to be considered. • Under the Bridging Aid IV, the previous reimbursement of fixed costs was supplemented by a one-off flat-rate operating fee (Startup Aid). This means that self-employed individuals who would otherwise not be able to claim fixed costs under the Bridging Aid IV – but who, nevertheless, had to accept a sharp drop in sales – can receive a one-off payment of 25% of the sales generated in the corresponding pre-crisis period in 2019. Due to its conditions, the Startup Aid is not to be credited towards basic social security benefits, etc. 	<ul style="list-style-type: none"> • Application for Bridging Aid IV has been possible since January 2022 for the period January 2022 to 31 March 2022 and applications until 30 April 2022. Application for Bridging Aid IV will run until 15 June 2022. • The application for Bridging Aid IV and New Start Aid is to be submitted via the uniform nationwide platform found here. • The equity grant and other improvements will be provided under the existing Bridging Aid IV. • As of May, it is expected that final accounts for Bridging AID I to IV and November and December AID can be submitted. The submission deadline for final accounts has been postponed from 30 June 2022 to 31 December 2022. 	<ul style="list-style-type: none"> • As of the end of January 2022, it is expected that final accounts for Bridging Aids I to III, as well as November and December Aids, can be submitted. The submission deadline for final accounts has been extended from 30 June 2022 to 31 December 2022. • The deadline for Start Aid for initial and amended applications also ends on 31 March 2022, after a further extension. The final settlement for New Start Aid has expired for direct applicants who had received their approval by the beginning of December 2021. However, statements may continue to be submitted. The deadline for submitting final statements by reviewing third parties for New Start Aid is 31 December 2022.

Other Financial Support

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<p>Energy Aids</p>	<ul style="list-style-type: none"> • The aids: <ul style="list-style-type: none"> – Adjust individual grid fees – Ensure liquidity of entities in cases of reduced production 	<ul style="list-style-type: none"> • Companies that have high energy costs and usage, and receive individual grid fees. 	<ul style="list-style-type: none"> • Many companies have experienced a decline in production and sales due to the COVID-19 pandemic. Due to the temporary change in electricity consumption, such companies may miss the formal prerequisites for receiving individual grid fees for 2020. • To ensure that these companies are not burdened by additional costs, the regulation creates a transitional arrangement. The regulation is, thus, also an important signal to prevent financial imbalances at the companies concerned. • The aid may only be applied after approval under state aid law and in accordance with such approval. The Federal Ministry of Economics and Energy shall make an announcement of the day of a notification and of the state aid approval in the Federal Gazette. 	<ul style="list-style-type: none"> • Application to the energy regulatory network authority. 	<ul style="list-style-type: none"> • Available now.

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<p>Special Aid for Trade Fair or Exhibition Events up to €600 Million</p>	<ul style="list-style-type: none"> Event-related costs totalling up to €600 million can be covered via the programme. Events with a scheduled execution date up to 30 September 2022 are taken into account, whereby the trade fair or exhibition must be registered in advance on a central IT platform. 	<ul style="list-style-type: none"> Trade fair and exhibition organisers. Private and public companies that organise and hold trade fairs or exhibitions in Germany as organisers are eligible for registration. The company must have a domestic permanent establishment or a domestic place of management, and be registered with a German tax office for tax purposes. An organiser is someone who bears the economic and organisational risk of an event. 	<p>Events with a scheduled execution date up to 30 September 2022 will be considered, whereby the trade fair or exhibition must be registered in advance on a central IT platform. Further details on registration and application can be found in the FAQ on the platform https://sonderfonds-messe.de/.</p> <p>Specifically, in the event of a pandemic-related cancellation of a trade show, a maximum of 80% of the event-related costs incurred as a result can be covered by the fund. The maximum compensation amount is €8 million per event. Operating and personnel costs, rentals, use of goods and contracted service providers are covered.</p> <ul style="list-style-type: none"> To benefit from the coverage, trade fairs and exhibitions must be registered at least two weeks before they are scheduled to take place. Eligible trade fairs and exhibitions are those whose scheduled implementation date is in the period up to 30 September 2022. The application for payment of coverage must be made within three months of the scheduled date of implementation of the trade fair or exhibition, but no later than 15 November 2022. 	<p>The trade fair or exhibition must be registered in advance on the central IT platform, found here.</p>	<ul style="list-style-type: none"> Available until 31 December 2022.

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	<ul style="list-style-type: none"> • With a series of tax improvements, the federal government is helping companies to cope with the consequences of the COVID-19 pandemic. The fourth Corona Tax Relief Act has created the basis for this. • To further combat the consequences of the COVID-19 pandemic, businesses are being supported with consistent measures to promote their economic recovery. With the improvement of the possibilities for offsetting losses and the extension of the declining balance depreciation for movable fixed assets as well as the tax investment periods, additional investment incentives are being provided. At the same time, the outstanding performance of care workers in particular will also be rewarded financially through a tax-free COVID-19 bonus. Important instruments such as the home office lump sum, the tax exemption of employer subsidies for short-time allowances and the deadline for submitting 2020 tax returns in advised cases will be extended once again. In order to create planning security for all parties involved, the declaration deadlines for 2021 and 2022 will also be extended. 	<ul style="list-style-type: none"> • All self-employed persons and companies directly affected by COVID-19 are entitled to the tax relief measures. 	<ul style="list-style-type: none"> • In order to secure liquidity, companies should also be able to better offset their COVID-19-related losses against profits from previous years. • Operating losses for the years 2022 and 2023 can continue to be carried back to the two immediately preceding years, up to €10 million and offset against profits in this amount. • Similarly, improved depreciation options for business investments apply for 2022. This is intended to motivate companies to invest now and to not postpone acquisitions. 	<ul style="list-style-type: none"> • The deadline for filing tax returns in 2020 in advised cases will be extended by a further three months. Following on from this, the declaration deadlines for 2021 and 2022 – also for non-advised taxpayers – will also be extended. 	<ul style="list-style-type: none"> • Until 2023

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Special Cultural Fund	<ul style="list-style-type: none"> With the special federal fund for cultural events, the federal government is making up to €2.5 billion available to support cultural events so that the new start can succeed. For artists and for the entire creative scene, the special fund is an important addition to the existing aid provided by the federal government, the states and the municipalities. 	<ul style="list-style-type: none"> Organisers of cultural events. An organiser is someone who bears the economic and organisational risk of an event. Public organisers are also eligible to apply, but can only apply for economic aid. 	<ul style="list-style-type: none"> The economic efficiency aid starts on 1 July 2021 and supports events with up to 500 possible participants (or from 1 August with up to 2,000 participants) that can only take place with a reduced number of participants due to the pandemic. It doubles (or triples in the case of particularly strict conditions) the income from the first 1,000 tickets until the costs of an event are covered. The cancellation cover creates planning security for larger cultural events (with more than a possible 2,000 participants) from 1 September 2021, and covers 90% of the costs of Corona-related cancellations, partial cancellations or postponements. For both modules, events must be registered in advance. 	<ul style="list-style-type: none"> An application for economic aid can be submitted after the event via the IT platform. However, the event must be registered on the platform no later than the day before the event. Within the scope of the registration, the cultural character of the event – as well as the COVID-19-related capacity reduction – must be proven (e.g. by hygiene, concept or containment ordinance). In order for the application and processing to be efficient, several events can also be bundled into one application. <p>The registration of events and the application for funding are carried out via this website. An alternative application, such as contacting the state cultural authorities directly, is not permitted.</p>	<ul style="list-style-type: none"> In both modules, registrations can be created for events taking place until 31 December 2022.

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